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Directly or Indirectly, Medical Malpractice Insurance Costs Affect You



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Although the state is in the process of recovering from a recurring budget crisis, during the same period another crisis has been unfolding and is threatening to seriously reduce Connecticut's quality healthcare.

Access to quality medical care is an issue of great importance to Connecticut residents. Doctors are struggling to maintain their medical practices because of the financial burden of excessive premiums for medical liability insurance that has jumped to \$100,000 or more for high-risk specialties.

Rising cost of medical liability insurance in Connecticut is seriously jeopardizing access to health care for all of us.

Even if you have never set foot in a doctor's office, increases in medical malpractice insurance affects you. In addition to directly affecting doctor's costs and patients' bills, rapidly rising insurance premiums impact every school and town's employee insurance budget. Recent 20 percent to 40 percent increases in health insurance costs significantly add to local and state tax increases every year.

Over the past three years, physicians in Connecticut have experienced dramatic increases in their medical liability premiums, many paying double what they were paying in 2001 while seeing their coverage cut in half.

In the recent past, eleven medical liability insurance companies served Connecticut doctors; today there are only three. Premiums have more than doubled, causing many Connecticut physicians either to move out of state or to abandon medicine or pursue other careers. Connecticut's residents directly suffer by losing capable doctors. This financial burden on doctors' practices takes away from their main objective of caring for patients.

Physicians face the daily stress of making life and death decisions, often times going long stretches of time without seeing family and friends. Couple this with the current medical liability crisis. Many physicians, particularly in high-risk fields, have the distraction of financial insecurity, not knowing whether enough revenue will be generated to pay

exorbitant liability premiums. Many of the wonderful doctors in the medical group I belong to have left their profession to pursue other careers or to just take a few remaining patients on a retainer bases. My doctor's son who graduated from University of Pennsylvania Medical School is going west to avoid Connecticut's problems, many others are moving south. Soon we may need to leave the state to get the doctors that treat the most dangerous or difficult of cases.

For example, many obstetricians are now paying in excess of \$100,000 per year, and specialties such as neurosurgery is experiencing even higher premiums, some neurosurgeons over \$200,000.

There is a notion that it is the insurance companies who are at fault, that they are gouging the doctors to make big profits. On September 19, 2003, Farmers Insurance Group announced its plans to discontinue its medical malpractice insurance line of business and began the process to non-renewing its existing business on Jan.1, 2004. In 2002, Farmers Insurance lost more than \$100 million on its malpractice policies; losses in 2004 were following a similar trend. If insurance companies are ripping off the doctors and getting rich at their expense, then why are insurers no longer writing policies in our state?

Last spring and again this year, I testified before the Insurance Committee. I highlighted the fact that in our state, the first offer from a defendant is compounded at 12 percent annually up to the day of a trial if the doctor doesn't take that offer, regardless of whether the claim has any merit. These offers can grow to double the original figure. This puts doctors in a very bad and unfair position. This is one of the many reasons insurance costs are sky high and make it so difficult for good doctors to practice in Connecticut.

Now it is time for the public to stand up and demand action and to put more pressure on House and Senate leadership to prevent this situation from getting so bad that we may some day soon have fathers delivering their own babies with a "How To Manual" as their guide.

Too many of our state very best doctor's practices are on life support and too many have already pulled the plug. Comprehensive tort reform is our only recourse to solving the medical liability crisis. There is no single silver bullet. What are needed are: a combination of caps on excessive awards, mediation of malpractice claims, reduction in the 12 percent interest added to the awards, a review by the insurance department of malpractice insurance increases and required malpractice reports within the medical community. And it must happen now.

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